

Assembly Bill No. 2335

Passed the Assembly June 23, 2008

Chief Clerk of the Assembly

Passed the Senate June 19, 2008

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2008, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to repeal Sections 19830, 19831, and 19832 of, and to repeal and add Section 19825 of, the Health and Safety Code, relating to building permits.

LEGISLATIVE COUNSEL'S DIGEST

AB 2335, Nakanishi. Building permits.

Existing law, in separate provisions, requires every city or county that necessitates the issuance of a permit as a condition precedent to the construction, alteration, improvement, demolition, or repair of any building or structure, at a minimum, to have the owner of the building or structure complete specific forms and declarations that identify the property and any agents or contractors performing the work, if applicable, and declaring the project complies with various laws. Existing law also requires the city or county to provide notice to the owner of the property of the legal implications of construction on the property.

This bill would repeal those separate provisions and create a single provision that combines and modifies the existing forms, declarations, and notice to the property owner and expands the acknowledgments property owners are required to make.

The people of the State of California do enact as follows:

SECTION 1. Section 19825 of the Health and Safety Code is repealed.

SEC. 2. Section 19825 is added to the Health and Safety Code, to read:

19825. (a) Every city, county, or city and county, whether general law or chartered, that requires the issuance of a permit as a condition precedent to the construction, alteration, improvement, demolition, or repair of any building or structure, shall require the execution of a permit application, in substantially the same form set forth under this subdivision, and require any individual who executes the Owner-Builder Declaration to present documentation sufficient to identify the property owner and, as necessary, verify the signature of the property owner. A city, county, or city and

county may require additional information on the permit application.

PERMIT APPLICATION
BUILDING PROJECT IDENTIFICATION

Applicant's Mailing Address _____

Property Location or Address _____

Property Owner's Name _____
 Property Owner's Telephone No. _____

Licensed Design Professional (Architect or
 Engineer) in charge of the project _____
 Mailing Address of Licensed Design
 Professional _____

 License No. _____

LICENSED CONTRACTOR'S DECLARATION

I hereby affirm under penalty of perjury that I am licensed under provisions of Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code, and my license is in full force and effect.

License Class _____ License No. _____
 Date _____ Contractor Signature _____

OWNER-BUILDER DECLARATION

I hereby affirm under penalty of perjury that I am exempt from the Contractors' State License Law for the reason(s) indicated below by the checkmark(s) I have placed next to the applicable item(s) (Section 7031.5, Business and Professions Code: Any city or county that requires a permit to construct, alter, improve, demolish, or repair any structure, prior to its issuance, also requires the applicant for the permit to file a signed statement that he or she is licensed pursuant to the provisions of the Contractors' State License Law (Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code) or that he or she is exempt from licensure and the basis for the alleged exemption. Any violation of Section 7031.5 by any applicant for a permit subjects the applicant to a civil penalty of not more than five hundred dollars (\$500.):

I, as owner of the property, or my employees with wages as their sole compensation, will do all of or portions of the work, and the structure is not intended or offered for sale (Section 7044, Business and Professions Code: The Contractors’ State License Law does not apply to an owner of property who, through employees’ or personal effort, builds or improves the property, provided that the improvements are not intended or offered for sale. If, however, the building or improvement is sold within one year of completion, the Owner-Builder will have the burden of proving that it was not built or improved for the purpose of sale.).

I, as owner of the property, am exclusively contracting with licensed Contractors to construct the project (Section 7044, Business and Professions Code: The Contractors’ State License Law does not apply to an owner of property who builds or improves thereon, and who contracts for the projects with a licensed Contractor pursuant to the Contractors’ State License Law.).

I am exempt from licensure under the Contractors’ State License Law for the following reason:

By my signature below I acknowledge that, except for my personal residence in which I must have resided for at least one year prior to completion of the improvements covered by this permit, I cannot legally sell a structure that I have built as an owner-builder if it has not been constructed in its entirety by licensed contractors. I understand that a copy of the applicable law, Section 7044 of the Business and Professions Code, is available upon request when this application is submitted or at the following Web site:

<http://www.leginfo.ca.gov/calaw.html>.

Date _____

Signature of Property Owner or Authorized Agent

WORKERS’ COMPENSATION DECLARATION
WARNING: FAILURE TO SECURE WORKERS’ COMPENSATION
COVERAGE IS UNLAWFUL, AND SHALL SUBJECT AN EMPLOYER
TO CRIMINAL PENALTIES AND CIVIL FINES UP TO ONE HUNDRED
THOUSAND DOLLARS (\$100,000), IN ADDITION TO THE COST OF

COMPENSATION, DAMAGES AS PROVIDED FOR IN SECTION 3706 OF THE LABOR CODE, INTEREST, AND ATTORNEY’S FEES.

I hereby affirm under penalty of perjury one of the following declarations:

____ I have and will maintain a certificate of consent to self-insure for workers’ compensation, issued by the Director of Industrial Relations as provided for by Section 3700 of the Labor Code, for the performance of the work for which this permit is issued.

Policy No. _____

____ I have and will maintain workers’ compensation insurance, as required by Section 3700 of the Labor Code, for the performance of the work for which this permit is issued. My workers’ compensation insurance carrier and policy number are:

Carrier _____ Policy Number _____ Expiration Date _____
Name of Agent _____ Phone # _____

____ I certify that, in the performance of the work for which this permit is issued, I shall not employ any person in any manner so as to become subject to the workers’ compensation laws of California, and agree that, if I should become subject to the workers’ compensation provisions of Section 3700 of the Labor Code, I shall forthwith comply with those provisions.

Signature of Applicant

Date

DECLARATION REGARDING CONSTRUCTION LENDING AGENCY

I hereby affirm under penalty of perjury that there is a construction lending agency for the performance of the work for which this permit is issued (Section 3097, Civil Code).

Lender’s Name _____

Lender’s Address _____

By my signature below, I certify to each of the following:

I am the property owner or authorized to act on the property owner’s behalf.

I have read this application and the information I have provided is correct.

I agree to comply with all applicable city and county ordinances and state laws relating to building construction.

I authorize representatives of this city or county to enter the above-identified property for inspection purposes.

Signature of Property Owner or Authorized Agent _____

Date _____

(b) When the Permit Application and the Owner-Builder Declaration have been executed by a person other than the property owner, prior to issuing the permit, the following shall be completed by the property owner and returned to the agency responsible for issuing the permit:

AUTHORIZATION OF AGENT TO ACT ON PROPERTY OWNER'S BEHALF

Excluding the Notice to Property Owner, the execution of which I understand is my personal responsibility, I hereby authorize the following person(s) to act as my agent(s) to apply for, sign, and file the documents necessary to obtain an Owner-Builder Permit for my project.

Scope of Construction Project (or Description of Work):

Project Location or Address: _____

Name of Authorized

Agent: _____

Address of Authorized

Agent: _____

Phone Number of Authorized

Agent: _____

I declare under penalty of perjury that I am the property owner for the address listed above and I personally filled out the above information and certify its accuracy.

Property Owner's Signature: _____ Date: _____

Note: A copy of the owner’s driver’s license, form notarization, or other verification acceptable to the agency is required to be presented when the permit is issued to verify the property owner’s signature.

(c) When the Owner-Builder Declaration required under subdivision (a) is executed, a Notice to Property Owner also shall be executed by the property owner in substantially the same form set forth under this section. The Notice to Property Owner shall appear on the official letterhead of the issuer and shall be provided to the applicant by one of the following methods chosen by the permitting authority: regular mail, electronic format, or given directly to the applicant at the time the application for the permit is made. Except as otherwise provided, the Notice to Property Owner pursuant to this section shall be completed and signed by the property owner and returned prior to issuance of the permit. An agent of the owner shall not execute this notice unless the property owner obtains the prior approval of the permitting authority. A permit shall not be issued unless the property owner complies with this section.

NOTICE TO PROPERTY OWNER

Dear Property Owner:

An application for a building permit has been submitted in your name listing yourself as the builder of the property improvements specified at

_____.

We are providing you with an Owner-Builder Acknowledgment and Information Verification Form to make you aware of your responsibilities and possible risk you may incur by having this permit issued in your name as the Owner-Builder.

We will not issue a building permit until you have read, initialed your understanding of each provision, signed, and returned this form to us at our official address indicated. An agent of the owner cannot execute this notice unless you, the property owner, obtain the prior approval of the permitting authority.

OWNER’S ACKNOWLEDGMENT AND VERIFICATION OF INFORMATION

DIRECTIONS: Read and initial each statement below to signify you understand or verify this information.

___1. I understand a frequent practice of unlicensed persons is to have the property owner obtain an “Owner-Builder” building permit that erroneously implies that the property owner is providing his or her own labor and material personally. I, as an Owner-Builder, may be held liable and subject to serious financial risk for any injuries sustained by an unlicensed person and his or her employees while working on my property. My homeowner’s insurance may not provide coverage for those injuries. I am willfully acting as an Owner-Builder and am aware of the limits of my insurance coverage for injuries to workers on my property.

___2. I understand building permits are not required to be signed by property owners unless they are *responsible* for the construction and are not hiring a licensed Contractor to assume this responsibility.

___3. I understand as an “Owner-Builder” I am the responsible party of record on the permit. I understand that I may protect myself from potential financial risk by hiring a licensed Contractor and having the permit filed in his or her name instead of my own.

___4. I understand Contractors are required by law to be licensed and bonded in California and to list their license numbers on permits and contracts.

___5. I understand if I employ or otherwise engage any persons, other than California licensed Contractors, and the total value of my construction is at least five hundred dollars (\$500), including labor and materials, I may be considered an “employer” under state and federal law.

___6. I understand if I am considered an “employer” under state and federal law, I must register with the state and federal government, withhold payroll taxes, provide workers’ compensation disability insurance, and contribute to unemployment compensation for each “employee.” I also understand my failure to abide by these laws may subject me to serious financial risk.

___7. I understand under California Contractors’ State License Law, an Owner-Builder who builds single-family residential structures cannot legally build them with the intent to offer them for sale, unless *all* work is performed by licensed subcontractors and the number of structures does not exceed four within any calendar year, or all of the work is performed under contract with a licensed general building Contractor.

___ 8. I understand as an Owner-Builder if I sell the property for which this permit is issued, I may be held liable for any financial or personal injuries sustained by any subsequent owner(s) that result from any latent construction defects in the workmanship or materials.

___ 9. I understand I may obtain more information regarding my obligations as an “employer” from the Internal Revenue Service, the United States Small Business Administration, the California Department of Benefit Payments, and the California Division of Industrial Accidents. I also understand I may contact the California Contractors’ State License Board (CSLB) at 1-800-321-CSLB (2752) or www.cslb.ca.gov for more information about licensed contractors.

___ 10. I am aware of and consent to an Owner-Builder building permit applied for in my name, and understand that I am the party legally and financially responsible for proposed construction activity at the following address:

___ 11. I agree that, as the party legally and financially responsible for this proposed construction activity, I will abide by all applicable laws and requirements that govern Owner-Builders as well as employers.

___ 12. I agree to notify the issuer of this form immediately of any additions, deletions, or changes to any of the information I have provided on this form.

Licensed contractors are regulated by laws designed to protect the public. If you contract with someone who does not have a license, the Contractors’ State License Board may be unable to assist you with any financial loss you may sustain as a result of a complaint. Your only remedy against unlicensed Contractors may be in civil court. It is also important for you to understand that if an unlicensed Contractor or employee of that individual or firm is injured while working on your property, you may be held liable for damages. If you obtain a permit as Owner-Builder and wish to hire Contractors, you will be responsible for verifying whether or not those Contractors are properly licensed and the status of their workers’ compensation insurance coverage.

Before a building permit can be issued, this form must be completed and signed by the property owner and returned to the agency responsible for issuing the permit.

Note: A copy of the property owner’s driver’s license, form notarization, or other verification acceptable to the agency is required to be presented when the permit is issued to verify the property owner’s signature.

Signature of property owner _____ Date: _____

SEC. 3. Section 19830 of the Health and Safety Code is repealed.

SEC. 4. Section 19831 of the Health and Safety Code is repealed.

SEC. 5. Section 19832 of the Health and Safety Code is repealed.

Approved _____, 2008

Governor